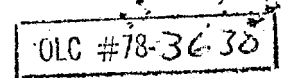
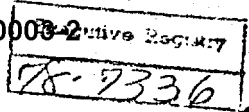


THE WHITE HOUSE
WASHINGTON

December 13, 1978



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MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Steps to Eliminate Waste, Fraud, and Error in
Government Programs

The resources of this government must be managed well, free of waste, fraud and inefficiency. The American people believe, and I agree, that managing their tax money is a public trust. That is why I approved a law establishing Offices of Inspector General in twelve major departments and agencies. Today, I am directing that significant features of the Inspector General program be extended throughout the Federal Government. Eliminating waste, fraud, and error should be as important to you as your program objectives.

First, by January 31, each of you should develop for my review a comprehensive plan setting the course for your agency in this overall effort. You should immediately designate a single official, accountable directly to you, to oversee preparation of the plan and to monitor its implementation for you. The plan should include at a minimum:

- ° An analysis of all resources now devoted to the audit and investigation functions and the capacity of your department or agency to prevent and deal with problems of waste, fraud and error.
- ° Your planned approach to using your agency's audit and investigation resources in a concerted effort to deal with issues of waste, fraud and error, especially in those programs and activities you deem most vulnerable.

Second, I expect each of you personally to review and respond to major allegations by the Comptroller General and others of waste, fraud or error.

Third, I would like each of you to submit to me your suggestions on government-wide action I can take to reduce waste, fraud and error.

Fourth, I am assigning the Director of the Office of Management and Budget responsibility for overseeing this program to eliminate fraud and waste for me. He will provide additional guidance as appropriate. He will be responsible for keeping me informed of progress under the program and activities of Inspectors General and their counterparts in the agencies.

Fifth, I have asked the Attorney General to prepare an action plan to assure that investigations by Inspectors General and similar officers are coordinated with other investigative and prosecutorial activities.

Finally, I am directing the Chairman of the Civil Service Commission (or, following its establishment, the Director of the Office of Personnel Management), working with the Attorney General and the Secretary of the Treasury, to improve the training of investigative and audit staffs throughout the Executive Branch.

Jimmy Carter

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EXECUTIVE SECRETARIAT (O/DCI)

Routing Slip

		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	DD/RM		X		
4	DD/NFA				
5	DD/CT				
6	DD/A				
7	DD/O				
8	DD/S&T				
9	GC		X		
10	LC		X		
11	IG	X			
12	Compt		X		
13	D/PA				
14	D/EEQ				
15	D/Pers				
16	AO/DCI				
17	C/IPS				
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SUSPENSE DATE: 29 DEC 78

Remarks:

To 11: For comment to DCI.

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Date